

Entrepreneurial Initiatives of Small Entrepreneurs in Food Manufacturing Producers/ Industries (Snacks) in Ranga Reddy and Nalgonda Districts

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Abstract— The economic growth was bound to be slow unless there was no adequate supply of entrepreneurs looking out for new ideas and willing to take the risk of introducing them. The supply of entrepreneurs and developing the Entrepreneurship is the perfect way to the rapid economic growth. The entrepreneurial initiation from the youth is the crucial phase for solving critical problems of the economy. Entrepreneurship introduces a critical element of dynamism into an economic system. The presence of entrepreneurs in a nation is a sign of economic growth. They not only initiate the process of economic development but also sustain it. There is vital significance of entrepreneurial initiation in the faster growth of the economy taken predominant place. Thus country need to encourage and support entrepreneurs within our congregation who have a bold vision to start a new starts, for their success. Thus the entrepreneurial initiatives in all the fields of the business From this study we can identify various initiatives of the small food manufacturers. The main objectives of this study is that to study the entrepreneurial initiatives in the start ups of small food manufactures especially in snacks production in rural and semi urban areas of the Rangareddy and Nalgonda districts and to study the required quality characteristics of entrepreneurs in the field of small food manufacturers to their start up. It is a descriptive study based up on survey and observations from the respondents who are small entrepreneurs located in suburban areas in Ranga Reddy and Nalgonda Districts. For this study we have chosen small sample from the various clusters. The sample of 30 manufacturers were chosen for this study. The respondents are selected by using random sampling methods The data will be analyzed by using appropriate statistical techniques.

I. INTRODUCTION

Entrepreneurial initiatives from the individual is the fore most step for developing the entrepreneurship. Entrepreneurship is the perfect solution for critical economic

problems of the economy such as unemployment, capital appreciation and productivity of resources in the economy. Thus the entrepreneurial initiatives from individual for the different fields of business sector are needed to develop the entrepreneurship and this leads to sustainable development of the economy.

II. IMPORTANCE OF THE STUDY

There is a vital significance of entrepreneurial initiation in the faster growth of the economy which has taken a predominant place. Thus country need

- To encourage and support entrepreneurs within our congregation who have a bold vision to start a new arts, for-profit, or not-for-profit venture.
- To unleash the untapped potential through collaboration - some people risk their time and money; others lend their creativity, expertise and resources.
- To enrich the entrepreneurial behavior, the entrepreneurial actions describing that behavior, and outcomes of that behavior as well as factors influencing its continuance.

III. OBJECTIVES OF THE STUDY

1. To study the entrepreneurial initiatives in the start ups of small food manufactures.
2. To study the required quality characteristics of entrepreneur to their start up.
3. To find various supporting systems which are encouraging small food manufacturers.

IV. RESEARCH METHODOLOGY

It is a descriptive study based up on the survey and observations from the respondents who are small

entrepreneurs located in suburban areas in Ranga Reddy and Nalgonda Districts. This study basically depends on both secondary and primary data. Secondary data will be collected from journals, books and internet etc... Primary data is collected from the respondents directly through a structured questionnaire. For this study we have chosen small sample from the various clusters Total clusters are 4 in every cluster minimum of 5 respondents and maximum of 8 respondents were taken for the study The sample of 30 manufacturers were chosen for this study The data is analysed by using "Rank Order Centroid" statistical technique. The respondents are selected by using random sampling methods.

V. LITERATURE REVIEW

Richard Branson(2011) insisted on winning customer's trust (Even when the things go seriously wrong)His comment given in the journal of entrepreneur that always protect reputation yet don't be afraid of making mistakes. He has given motivation to start up entrepreneur He said that one thing is certain, in business things will go wrong so when you first start a business one of your priorities should be emergency planning.

NandiniVaidyanathan (2011). According to her an entrepreneur is a person who wants to leave a foot print in the society. She has given a view on entrepreneur who works for himself and for the nation and he is the role model of the economic development of the nation.

Bipin Chandran(2011) is saying that there is a complaint on India's start up entrepreneurs completely risk averse and they want to play safe He explained that this mind set of Indian entrepreneur seems to the normal tendency among the upcoming entrepreneurs.

Muki Raghu Nathan (2003) said that there are different process to choose from at each stage of your entrepreneurial success path and insisted to find the right fit and concluded to get a hold on incoming and outgoing cash flows and you will do well.

Manish Sabharwal (2003) discussed about how businesses bloom and explained that there is only the question which gives result is how your venture grows depends on the method you adopt. He has concluded that the color of money is more important than the quantum of money.

Ganesh natarajan (2003) expressed that there is no short cut to success and stated that every activity includes the risks we need to verify what are the risks in a strategies of letting go? He concluded that there are never any easy answers to the timing of letting go of your start up one should know when to let go

INITIATIVES TO START THE BUSINESS

As the economy opens up it is inevitable that a whole new generation of entrepreneurs of next century those whom we have not heard of today would have emerged as players to reckon with on the industrial scene. The important initiatives identified especially in field of small food manufacturers are in general initiating factors which influence the entrepreneurial mind set for their start up.

Initiatives to start a business

- 1) **Existing plants:** Entrepreneurial initiation will become strong by observing various plants or industries by collecting information from those existing entrepreneur's new start up idea may become strong opinion on starting the business. Visiting various existing plants is the crucial act of every entrepreneurial start up before going to starting up of business decision.
- 2) **Availability of resources:** A plenty of resources obviously gives an idea to upcoming entrepreneur and newly starting entrepreneurs for their any start up business, but resources are always in scarce nature where ever resources are more there is lot of scope for the business, for example: _ If in a country leather resources are more then there will be more leather industries may arises in the market. Where ever the resources are more similar industries will come in existence.
- 3) **Government subsidies or facilities:** In present scenario every economy has its own frame work for developing their small scale industries even in India too the government has taken number of amendments towards the development of small and medium scale enterprise.
- 4) **Financial institution's support:** In our India after liberalisation we have consider the important sectoral development that the industrial sector especially in

small and medium scale enterprises. Thus various financial institutions have emerged for giving their support to promote the small scale sector in India. Such institutions are IFCI, IDBI, SIDBI, ICICI,SFC,NABARD.

- 5) **Motivation from relatives or friends who started earlier:** In real time no one business man want to motivate another one to start the same business. But only some people give the information about their business. But some may influence from the friend or relatives or well wishers with their motivational ideas and their suggestions.
- 6) **Market opportunities :** Market opportunities are crucial now a days to start up generations because everyone looking for new opportunity in their field of business. Market opportunity may in any form of market component such as Price, Demand and Supply, and place promotion and production etc.

1. 40% of the entrepreneurs own their family business and 60% own a non family business.
2. Factors which made to continue the entrepreneur’s family business.
 - 1) Existing plant
 - 2) Availability of resources
 - 3) Government subsidies or facilities
 - 4) Financial assistance from various financial services
 - 5) Motivation from parents or relatives or friends who started earlier
 - 6) Market opportunities are more
 - 7) By own interest

Calculations according to ROC Rank Order Centroid

This method is a simple way of giving weight to a number of items ranked according to their importance. The decision makers usually can rank items much more easily than give weight to them. This method takes those ranks as input and converts them to weights for each of the items

The conversion is based on the following formulae

$$W_i = \frac{1}{K} \sum_{j=1}^J (1/r_j) \quad \text{to} \quad KW_1 = (1 + 1/2 + 1/3 + 1/4 + \dots + 1/K) / K$$

$$W_2 = (0 + 1/2 + 1/3 + 1/4 + \dots - 1/K) / K$$

Entrepreneurial initiatives----Entrepreneurship--- Sustainability development of the economy

VI. DATA ANALYSIS

Total number of respondents : 30
Business: Snacks production & sales
clusters:4 (saroonagar, ghatkesar, medchel Nalgonda)
Sampling: Small samples

| | Saroor nagar 6 3family 3 nonfamily | Ghatkesar 8 2family 6nonfamily | Medchel 8 4family & 4 nonfamily | Nalgonda 8 3family & 5 nonfamily | Weights of individual | Accumulated weight |
|--|---|---|---|--|--|-----------------------|
| Existing plants | 4,3,4 | 3,3 | 3,5,4,4 | 4,5,4 | 6*0.1089=0.6534 4*0.15612=0.62448 2*0.07327=0.14654 | 1.42442 |
| Availability of resources | 3,5,4 | 4,4 | 5,6,4,3 | 6,6,5 | 3*0.0446=0.1338 3*0.07327=0.21981 4*0.10898=0.43592 2*0.15612=0.31224 | 1.10177 |
| Government subsidies or facilities | 6,5,6 | 5,5 | 4,5,5,7 | 4,6,6 | 4*0.0446=0.1784 5*0.0732=0.366 2*0.10898=0.21796 1*0.0208=0.0208 | 0.78316 |
| Financial assistance from various financial services | 5,4,6 | 4,5 | 6,5,5,4 | 5,6,4 | 5*0.0732=0.366 4*0.10898=0.43592 3*0.0446=0.1338 | 0.93572 |
| Motivation from relatives or friends who started earlier | 1,2,1 | 1,1 | 2,2,1,2 | 2,3,2 | 6*0.22755=1.3653 5*0.3704=1.852 1*0.15612=0.15612 | 3.37342 |
| Market opportunities are more | 3,3,2 | 3,2 | 4,4,5,3 | 4,3,4 | 5*0.15612=0.7806 4*0.10898=0.43592 2*0.22755=0.4551 1*0.07327=0.07327 | 1.74489 |
| By own interest | 2,2,1 | 2,1 | 2,3,3,2 | 3,2,1 | 6*0.22755=1.3653 3*0.3704=1.1112 3*0.15612=0.46836 | 2.94486 |

3. Factors initiated to start business.

| | Saroornagar 6 fam 3 nonfam | Ghatkesar 8 fam 2 nonfam | Medchel 8 fam 4 nonfam | Nalgonda 8 fam 5 nonfam | Weights of individual | Accumulated weight |
|--|-------------------------------|-----------------------------|---------------------------|----------------------------|--|--------------------|
| Existing plants | 3,2,2 | 3,2,4,3,1,2 | 3,6,3,1 | 3,3,2,2,1 | 7*0.020=0.140 6*0.227=1.562 1*0.108=0.108 1*0.044=0.044 3*0.370=1.110 | 2.964 |
| Availability of resources | 4,5,3 | 5,5,4,3,3,2 | 1,4,5,5 | 5,5,3,2,1 | 3*0.108=0.324 7*0.072=0.504 4*0.156=0.624 2*0.370=0.740 2*0.227=0.454 | 2.646 |
| Government subsidies or facilities | 5,1,4 | 5,4,4,3,3,2 | 5,5,3,2 | 3,4,5,5,4 | 6*0.044=0.264 1*0.370=0.370 5*0.108=0.540 4*0.156=0.624 2*0.227=0.444 | 2.242 |
| Financial assistance from various financial services | 6,7,7 | 7,6,5,7,4,4 | 6,5,7,7 | 7,6,5,5,4 | 7*0.020=0.140 4*0.044=0.176 4*0.072=0.288 3*0.108=0.324 | 0.928 |
| Motivation from relatives or friends who started earlier | 2,3,2 | 2,2,4,3,1,3 | 5,6,2,2 | 2,2,4,4 | 6*0.227=1.362 4*0.156=0.624 3*0.108=0.324 1*0.370=0.370 1*0.072=0.072 1*0.044=0.044 | 2.796 |
| Market opportunities are more | 4,3,4 | 4,4,5,3,3,2 | 4,5,2,1 | 2,1,3,5,4 | 6*0.108=0.648 5*0.156=0.780 3*0.072=0.216 3*0.227=0.661 2*0.370=0.740 | 2.045 |
| By own interest | 1,2,2 | 1,2,2,3,1,2 | 1,3,1,4 | 1,5,4,1,3 | 7*0.370=2.594 5*0.227=1.135 3*0.156=0.468 2*0.108=0.216 1*0.072=0.072 | 4.481 |

1. The basic reason behind to choose snacks production and sales business is

- A. It is more profitable
- B. It is just suggested by my parents

- C. Advised by govt organizations through EDP
- D. We cannot do another work or job

| | It is more profitable | It is just suggested by my relatives and my friends | Advised by govt organisation through EDP | We can not do another work or job |
|------------|-----------------------|---|--|-----------------------------------|
| percentage | 6 20 | 6 20 | 3 10 | 15 50 |

4. Sources of information for entrepreneurial start up

- A. News papers or journals
- B. Government organizations
- C. Relatives and friends
- D. Existing entrepreneurs

| Sources | News papers or journals | Government organizations | Relatives and friends | Existing entrepreneurs | By their own |
|-------------------|-------------------------|--------------------------|-----------------------|------------------------|--------------|
| No of Respondents | 1 | 0 | 8 | 19 | 2 |
| percentage | 3.33 | 0 | 26.66 | 63.33 | 6.66 |

5. Awareness of financial institutions or services which are providing loans and various credit facilities

| | aware | not aware |
|-------------------|-------|-----------|
| No of respondents | 4 | 26 |
| percentage | 13.33 | 86.66 |

- 6. They Entrepreneurs are aware of some cooperative banks and some nationalized banks**
- 7. Capabilities required for an entrepreneur in the field of business.**

- A. Communication skill
- B. Managerial skill
- C. Negotiation skills
- D. Financial potentiality
- E. Hard working nature
- F. Dedication towards objective

| Characteristics | Communication skill | Managerial skill | Negotiation skills | Financial potentiality | Hard working nature | Dedication towards objective |
|-----------------|---------------------|------------------|--------------------|------------------------|---------------------|------------------------------|
| Respondents | 1 | 1 | 4 | 5 | 6 | 13 |
| Percentage | 3.33 | 6.66 | 10 | 16.66 | 20 | 43.33 |

FINDINGS

- 60% of the respondents chosen the business by their own decision and 40% of the respondents are running their family business
- From the prescribed parameters of initiations, the respondents who started their family business given first preference to motivation from relatives or friends who started earlier. The respondents who normally started the business given preference to their own decision first and existing plants next.
- Most of the respondents given priority for visiting existing industries in order to take a decision while starting the business and also for gathering information.
- The basic reason for choosing the business is they cannot do another work or job they are uneducated and some discontinued their education.
- They have arranged their resources by their own efforts
- Most of the respondents are unaware about financial institutions or services such as loans or credit facilities.
- According to this study an entrepreneur should have a minimum capability of dedication and hard work towards the objective.

CONCLUSION

It must be recognized that Entrepreneurial initiation is the basic element, which creates entrepreneurship and as we know this leads to increase in productivity, capital appreciation and solution for the unemployment problem in the economy. From this study initiatives of small food manufacturers are identified, such as interest in investing in existing plants, motivation from their relatives and their

friends and another most important initiative is their own interest and self decision. According to this study there is only one factor i-e initiation from individuals, themselves and less from their relatives or friends and not from outside world. According to this study entrepreneurs are individuals who need to be initiative themselves or they may be influenced by outside environment.

Entrepreneurs are not born they are made from this statement one's success of enterprise will depend on their capabilities of running the business so one should have an idea to what extent the capabilities are required, how can be they developed to run their business. According to this study these are crucial to the entrepreneur which leads to the success. Having capabilities are not enough, in order to initiate any business and getting success one should have required support in all the aspects especially from this study mentioned that financial support from the different sources such as financial institutions, Government, societies etc..

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